

JOURDANTON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
AUGUST 31, 2022

**JOURDANTON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022**

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CERTIFICATE OF BOARD

Jourdanton Independent School District
Name of School District

Atascosa
County

007902
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2022 at a meeting of the Board of Trustees of such school district on the 12th of December, 2022.


Signature of Board Secretary


Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is(are):

(attach list as necessary)

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jourdanton Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Jourdanton Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jourdanton Independent School District, as of August 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jourdanton Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note F to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jourdanton Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- * Exercise professional judgement and maintain professional skepticism throughout the audit.
- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jourdanon Independent School District's internal controls. Accordingly, no such opinion is expressed.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- * Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jourdanon Independent School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions for Pensions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of the District Contributions for Other Post-Employment Benefits on pages 7-13 and 54-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide an assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Jourdanon Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in exhibits identified in the Table of Contents as J-1, J-2, J-3 and J-4. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the Jourdanon Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jourdanon Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jourdanon Independent School District's internal control over financial reporting and compliance.

Coleman, Horton and Company, LLP

Uvalde, Texas
November 18, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The annual financial report of the Jourdanton Independent School District (the District) is presented in six sections, Management's Discussion and Analysis (this part), Basic Financial Statements, Required Supplementary Information, Combining and Other Statements, Required TEA Supplementary Information, and Federal Section. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the year ending August 31, 2022. Please read it in conjunction with the District's financial section, which follows.

Overview of the Basic Financial Statements

The basic financial statements include two kinds of statements that present different views of the District:

- * The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- * The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - * The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
 - * *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required TEA supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the District, as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and deferred outflows less the District's liabilities and deferred inflows, is one way to measure the District's financial health or *position*.

- * Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- * To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- * Some funds are required by State law and by bond covenants.
- * The Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has two kinds of funds:

- * *Governmental funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, then explain the relationship (or differences) between them.
- * *Fiduciary funds* - The District is the custodian, or *fiduciary*, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Financial Highlights

- * The District's combined net position was \$13,539,556 at August 31, 2022, an increase of \$2,729,300.
- * During the year, the District's revenue was \$24,678,850 as reflected below:

Governmental Activities			
	Current	Prior	
	Year	Year	Change
a) Taxes	\$ 11,563,311	\$ 12,434,474	\$ (871,163)
b) State Aid	8,769,435	8,297,527	471,908
c) Federal Aid	3,382,250	2,029,538	1,352,712
d) Investment Earnings	35,647	99,573	(63,926)
e) Other	928,207	977,374	(49,167)
Total	<u>\$ 24,678,850</u>	<u>\$ 23,838,486</u>	<u>\$ 840,364</u>

* During the year the District's expenses were \$21,949,550 as reflected below:

Governmental Activities			
	Current Year	Prior Year	Change
a) Instruction and instructional related	\$ 11,680,893	\$ 11,577,906	\$ 102,987
b) Instruction leadership/school leadership	1,460,366	1,508,597	(48,231)
c) Guidance, social work, health, transportation	1,426,327	1,308,699	117,628
d) Food services	1,185,227	1,062,318	122,909
e) Extracurricular activities	1,177,054	1,073,591	103,463
f) General administration	900,848	826,316	74,532
g) Plant maintenance and security	2,267,745	2,180,486	87,259
h) Data processing services	316,436	498,421	(181,985)
i) Community services	1,502	3,905	(2,403)
j) Debt services	1,046,950	1,192,746	(145,796)
k) Capital outlay	66,772	26,682	40,090
l) Payments to fiscal agent/member districts - shared service	169,751	151,450	18,301
m) Intergovernmental charges	249,679	261,071	(11,392)
Total Expenses	<u>\$ 21,949,550</u>	<u>\$ 21,672,188</u>	<u>\$ 277,362</u>

- * The General Fund reported a fund balance for the year of \$11,526,662, an increase of \$1,494,816 from the prior year.
- * The Debt Service Fund reported a fund balance for the year of \$789,614, an increase of \$93,783 from the prior year.
- * The Capital Projects Fund reported a fund balance for the year of \$1,696,960, a decrease of \$298,281 from the prior year.

- * The District's combined net position was \$13,539,556 at August 31, as reflected below:

	Governmental Activities		
	Current Year	Prior Year	Change
Assets:			
Current and other assets	\$ 16,710,444	\$ 15,571,384	\$ 1,139,060
Capital and non-current assets	50,310,651	51,866,646	(1,555,995)
Total Assets	\$ 67,021,095	\$ 67,438,030	\$ (416,935)
Deferred Outflows	\$ 6,274,798	\$ 6,080,801	\$ 193,997
Liabilities:			
Current liabilities	\$ 1,268,260	\$ 1,819,223	\$ (550,963)
Long term liabilities	52,558,413	56,508,731	(3,950,318)
Total Liabilities	\$ 53,826,673	\$ 58,327,954	\$ (4,501,281)
Deferred Inflows	\$ 5,929,664	\$ 4,380,621	\$ 1,549,043
Net position:			
Net investment in capital assets	\$ 6,037,579	\$ 5,641,855	\$ 395,724
Restricted	1,373,719	894,733	478,986
Unrestricted	6,128,258	4,273,668	1,854,590
Total Net Position	\$ 13,539,556	\$ 10,810,256	\$ 2,729,300

- * Property tax rates increased 0.0033/\$100 from the previous year. The taxable value decreased during the past year by \$72,897,874. The tax levy decreased by \$972,227 over the prior year.
- * State aid increased for the year by \$471,908.
- * Federal aid increased for the year by \$1,352,712.
- * The General Fund transferred \$397,353 internally.

Capital Assets and Debt Administration

Capital Assets

Capital assets for the District at the end of fiscal year August 31, 2022 amounted to \$50,310,651. It is the District's policy to charge off as a current expenditure any purchases less than \$5,000. The total capital assets recorded were land and its improvements, buildings, equipment, and vehicles, right-to-use lease assets, and construction in progress as reflected below:

District's Capital Assets

	Governmental Activities		
	Current Year	Prior Year	Change
Land	\$ 1,181,420	\$ 1,181,420	\$ -
Buildings and improvements	62,227,122	62,099,321	127,801
Equipment	3,110,297	2,948,045	162,252
Library books and media	120,525	120,525	-
Right-to-use lease assets - furniture and equipment	112,986	-	112,986
Construction in progress	66,269	-	66,269
Totals at historical cost	\$ 66,818,619	\$ 66,349,311	\$ 469,308
Total accumulated depreciation	(16,507,968)	(14,482,665)	(2,025,303)
Net capital assets	<u>\$ 50,310,651</u>	<u>\$ 51,866,646</u>	<u>\$ (1,555,995)</u>

Long-term Liabilities

The District's long-term liabilities include bonds payable, capital appreciation bonds, maintenance tax notes, and right to use lease liabilities in the amount of \$45,970,032.

	Governmental Activities		
	Current Year	Prior Year	Change
Bonds payable	\$ 36,606,240	\$ 37,611,413	\$ (1,005,173)
Net issuance premiums/discounts	6,797,462	7,578,619	(781,157)
Total Bonds Payable	\$ 43,403,702	\$ 45,190,032	\$ (1,786,330)
Maintenance tax notes	2,500,000	3,030,000	(530,000)
Right-to-use lease liabilities	66,330	-	66,330
Total Debt	<u>\$ 45,970,032</u>	<u>\$ 48,220,032</u>	<u>\$ (2,250,000)</u>

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. With these adjustments, actual expenditures were \$1,326,830 below final budget amounts. Additionally, resources available were \$388,647 above the final budgeted amount.

- * Local revenue sources were \$24,375 more than expected.
- * State funding was more than budgeted amounts by \$329,666.
- * Federal revenue was more than budgeted amounts by \$34,606.

Contacting the District's Financial Management

This financial report is designed for customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District's Business Services Department.

BASIC FINANCIAL STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 14,192,901
1220 Property Taxes - Delinquent	1,076,175
1230 Allowance for Uncollectible Taxes	(161,426)
1240 Due from Other Governments	1,499,109
1290 Other Receivables, Net	67,478
1300 Inventories	36,207
Capital Assets:	
1510 Land	1,181,420
1520 Buildings, Net	48,328,240
1530 Furniture and Equipment, Net	666,467
1550 Right-to-Use Leased Assets, Net	64,563
1560 Library Books and Media, Net	3,692
1580 Construction in Progress	66,269
1000 Total Assets	<u>67,021,095</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	3,764,326
1705 Deferred Outflow Related to TRS Pension	1,230,428
1706 Deferred Outflow Related to TRS OPEB	1,280,044
1700 Total Deferred Outflows of Resources	<u>6,274,798</u>
LIABILITIES	
2110 Accounts Payable	293,786
2140 Interest Payable	78,538
2150 Payroll Deductions and Withholdings	4,190
2160 Accrued Wages Payable	839,557
2180 Due to Other Governments	2,542
2200 Accrued Expenses	26,063
2300 Unearned Revenue	23,584
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	1,669,101
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	44,300,931
2540 Net Pension Liability (District's Share)	1,981,430
2545 Net OPEB Liability (District's Share)	4,606,951
2000 Total Liabilities	<u>53,826,673</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	2,421,650
2606 Deferred Inflow Related to TRS OPEB	3,508,014
2600 Total Deferred Inflows of Resources	<u>5,929,664</u>
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	6,037,579
Restricted:	
3820 Restricted for Federal and State Programs	547,898
3850 Restricted for Debt Service	789,614
3890 Restricted for Other Purposes	36,207
3900 Unrestricted	6,128,258
3000 Total Net Position	<u><u>\$ 13,539,556</u></u>

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	1	Program Revenues		6 Primary Gov. Governmental Activities
		3 Charges for Services	4 Operating Grants and Contributions	
	Expenses			Net (Expense) Revenue and Changes in Net Position
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 11,506,871	\$ 126,022	\$ 1,264,062	\$ (10,116,787)
12 Instructional Resources and Media Services	98,904	-	4,071	(94,833)
13 Curriculum and Instructional Staff Development	75,118	-	49,573	(25,545)
21 Instructional Leadership	315,491	7,832	6,107	(301,552)
23 School Leadership	1,144,875	-	32,762	(1,112,113)
31 Guidance, Counseling, and Evaluation Services	472,455	-	22,543	(449,912)
33 Health Services	179,117	-	129,315	(49,802)
34 Student (Pupil) Transportation	774,755	3,615	25,191	(745,949)
35 Food Services	1,185,227	136,796	1,346,585	298,154
36 Extracurricular Activities	1,177,054	294,035	4,071	(878,948)
41 General Administration	900,848	-	14,232	(886,616)
51 Facilities Maintenance and Operations	2,203,770	60,477	114,577	(2,028,716)
52 Security and Monitoring Services	63,975	-	-	(63,975)
53 Data Processing Services	316,436	41,461	8,286	(266,689)
61 Community Services	1,502	-	-	(1,502)
72 Debt Service - Interest on Long-Term Debt	1,045,450	-	-	(1,045,450)
73 Debt Service - Bond Issuance Cost and Fees	1,500	-	-	(1,500)
81 Capital Outlay	66,772	-	-	(66,772)
93 Payments Related to Shared Services Arrangements	163,700	-	12,500	(151,200)
95 Payments to Juvenile Justice Alternative Ed. Prg.	6,051	-	-	(6,051)
99 Other Intergovernmental Charges	249,679	-	-	(249,679)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 21,949,550	\$ 670,238	\$ 3,033,875	(18,245,437)
Data Control Codes				
General Revenues:				
Taxes:				
MT	Property Taxes, Levied for General Purposes			8,839,575
DT	Property Taxes, Levied for Debt Service			2,723,736
SF	State Aid - Formula Grants			8,296,586
GC	Grants and Contributions not Restricted			821,224
IE	Investment Earnings			35,647
MI	Miscellaneous Local and Intermediate Revenue			257,969
TR	Total General Revenues			20,974,737
CN	Change in Net Position			2,729,300
NB	Net Position - Beginning			10,810,256
NE	Net Position - Ending			\$ 13,539,556

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 11,060,708	\$ 775,569	\$ 1,763,229
1220 Property Taxes - Delinquent	902,794	173,381	-
1230 Allowance for Uncollectible Taxes	(135,419)	(26,007)	-
1240 Due from Other Governments	1,239,177	-	-
1290 Other Receivables	43,484	-	-
1300 Inventories	26,560	-	-
1000 Total Assets	<u>\$ 13,137,304</u>	<u>\$ 922,943</u>	<u>\$ 1,763,229</u>
LIABILITIES			
2110 Accounts Payable	\$ 125,074	\$ -	\$ 66,269
2150 Payroll Deductions and Withholdings Payable	4,190	-	-
2160 Accrued Wages Payable	742,207	-	-
2180 Due to Other Governments	2,542	-	-
2200 Accrued Expenditures	19,229	-	-
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>893,242</u>	<u>-</u>	<u>66,269</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	717,400	133,329	-
2600 Total Deferred Inflows of Resources	<u>717,400</u>	<u>133,329</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	26,560	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	1,696,960
3480 Retirement of Long-Term Debt	-	789,614	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
3600 Unassigned Fund Balance	11,500,102	-	-
3000 Total Fund Balances	<u>11,526,662</u>	<u>789,614</u>	<u>1,696,960</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 13,137,304</u>	<u>\$ 922,943</u>	<u>\$ 1,763,229</u>

The notes to the financial statements are an integral part of this statement.

Other Funds		Total Governmental Funds	
\$	593,395	\$	14,192,901
	-		1,076,175
	-		(161,426)
	259,932		1,499,109
	23,994		67,478
	9,647		36,207
\$	886,968	\$	16,710,444
\$	102,443	\$	293,786
	-		4,190
	97,350		839,557
	-		2,542
	6,834		26,063
	23,584		23,584
	230,211		1,189,722
	-		850,729
	-		850,729
	9,647		36,207
	547,898		547,898
	-		1,696,960
	-		789,614
	81,791		81,791
	17,421		11,517,523
	656,757		14,669,993
\$	886,968	\$	16,710,444

JOURDANTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 14,669,993
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$66,349,311 and the accumulated depreciation was (\$14,482,665). In addition, long-term liabilities, including bonds payable of (\$37,450,467) and loans payable of (\$3,030,000), are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	11,386,179
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2022 capital outlays of \$469,308 and debt principal payments of \$1,672,430 is to increase net position.	2,141,738
3 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(2,025,303)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of (\$1,981,430), a deferred resource inflow of (\$2,421,650), and a deferred resource outflow of \$1,230,428. The net effect is to decrease net position.	(3,172,652)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net other post employment benefit (OPEB) liability required by GASB 75 in the amount of (\$4,606,951), a deferred resource inflow of (\$3,508,014), and a deferred resource outflow of \$1,280,044. The net effect is to decrease net position.	(6,834,921)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes of \$850,729 as revenue, recording the unamortized net premium/discount on bonds of (\$6,797,462), the accumulated accretion on capital appreciation bonds of (\$251,546), recognizing unamortized accounting loss on bond refundings of \$3,764,326, reclassifying the proceeds of right to use assets of (\$112,986), rounding of (\$1) and recognizing the liabilities associated with maturing long-term debt and interest of (\$78,538). The net effect of these reclassifications and recognitions is to decrease net position.	(2,625,478)
19 Net Position of Governmental Activities	\$ 13,539,556

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 9,358,322	\$ 2,685,680	\$ 6,310
5800 State Program Revenues	9,168,053	-	-
5900 Federal Program Revenues	452,618	-	-
5020 Total Revenues	18,978,993	2,685,680	6,310
EXPENDITURES:			
Current:			
0011 Instruction	9,840,658	-	-
0012 Instructional Resources and Media Services	82,164	-	-
0013 Curriculum and Instructional Staff Development	26,093	-	-
0021 Instructional Leadership	334,390	-	-
0023 School Leadership	1,099,651	-	-
0031 Guidance, Counseling, and Evaluation Services	431,695	-	-
0033 Health Services	45,407	-	-
0034 Student (Pupil) Transportation	493,500	-	-
0035 Food Services	900	-	-
0036 Extracurricular Activities	1,004,169	-	-
0041 General Administration	850,654	-	-
0051 Facilities Maintenance and Operations	1,987,501	-	-
0052 Security and Monitoring Services	64,104	-	-
0053 Data Processing Services	298,079	-	-
0061 Community Services	3,781	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	576,656	1,095,774	-
0072 Interest on Long-Term Liabilities	44,367	1,494,623	-
0073 Bond Issuance Cost and Fees	-	1,500	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	6,464	-	304,591
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	151,200	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	6,051	-	-
0099 Other Intergovernmental Charges	249,679	-	-
6030 Total Expenditures	17,597,163	2,591,897	304,591
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,381,830	93,783	(298,281)
OTHER FINANCING SOURCES (USES):			
7913 Right-to-Use Leases	112,986	-	-
7915 Transfers In	397,353	-	-
8911 Transfers Out (Use)	(397,353)	-	-
7080 Total Other Financing Sources (Uses)	112,986	-	-
1200 Net Change in Fund Balances	1,494,816	93,783	(298,281)
0100 Fund Balance - September 1 (Beginning)	10,031,846	695,831	1,995,241
3000 Fund Balance - August 31 (Ending)	\$ 11,526,662	\$ 789,614	\$ 1,696,960

The notes to the financial statements are an integral part of this statement.

Other Funds		Total Governmental Funds	
\$	452,748	\$	12,503,060
	104,243		9,272,296
	2,929,632		3,382,250
	3,486,623		25,157,606
	1,391,927		11,232,585
	4,071		86,235
	49,573		75,666
	6,107		340,497
	32,762		1,132,413
	24,532		456,227
	129,315		174,722
	25,191		518,691
	1,105,807		1,106,707
	195,003		1,199,172
	14,232		864,886
	114,577		2,102,078
	-		64,104
	8,286		306,365
	-		3,781
	-		1,672,430
	-		1,538,990
	-		1,500
	-		311,055
	12,500		163,700
	-		6,051
	-		249,679
	3,113,883		23,607,534
	372,740		1,550,072
	-		112,986
	-		397,353
	-		(397,353)
	-		112,986
	372,740		1,663,058
	284,017		13,006,935
\$	656,757	\$	14,669,993

JOURDANTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 1,663,058
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2022 capital outlays of \$469,308 and debt principal payments of \$1,672,430 is to increase net position.	2,141,738
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(2,025,303)
Current year changes due to GASB 68 decreased revenues in the amount of (\$543,449) but also decreased expenditures in the amount of \$847,506. The net position increased as a result of the changes.	304,057
Current year changes due to GASB 75 increased revenues in the amount of \$40,588 and also decreased expenditures in the amount of \$200,503. The net position increased as a result of these changes.	241,091
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue of \$24,105 to show the revenue earned from the current year's tax levy, recording amortization of bond premium of \$781,157, recording accretion on capital appreciation bonds of (\$334,826), accounting for the retirement of CAB of \$244,225 during the year, recording amortization of bond refunding accounting loss of (\$199,876), reclassing proceeds from right-to-use assets of (\$112,986), and recognizing the change in liabilities associated with maturing long-term debt and interest of \$2,860. The net effect of these reclassifications and recognitions is to increase net position.	404,659
Change in Net Position of Governmental Activities	<u>\$ 2,729,300</u>

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2022

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 146,945
Total Assets	<u>146,945</u>
LIABILITIES	
Accounts Payable	<u>1,853</u>
Total Liabilities	<u>1,853</u>
NET POSITION	
Restricted for Campus Activities	105,189
Restricted for Scholarships	<u>39,903</u>
Total Net Position	<u><u>\$ 145,092</u></u>

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Total Custodial Funds
ADDITIONS:	
Cocurricular Services or Activities	\$ 99,550
Contributions, Gifts and Donations	115
Miscellaneous Additions	49,802
Total Additions	<u>149,467</u>
DEDUCTIONS:	
Payroll Costs	27,706
Professional and Contracted Services	151
Supplies and Materials	68,459
Other Deductions	24,498
Total Deductions	<u>120,814</u>
Change in Fiduciary Net Position	28,653
Total Net Position - September 1 (Beginning)	<u>116,439</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 145,092</u></u>

The notes to the financial statements are an integral part of this statement.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jourdanton Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in ***GASB Statement No. 76*** and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Pensions. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from the TRS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits. The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Fair Value Measurement. The District applies ***GASB Statement No. 72, Fair Value Measurement and Application***. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by property taxes, State foundation funds, grants, and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "Charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "Operating Grants and Contributions" column indicates amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act and Individuals with Disabilities Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Property taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due froms on the governmental fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and custodial funds remain as due to/due froms on the government-wide Statement of Net Position.

The fund financial statements provide reports on the financial condition and results of operations for two fund categories - governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year-end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual concept", that is, when they are both measurable and available. The District considers them "available" if they are collected within 60 days of the end of the fiscal year.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

- * **The General Fund** - The General Fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- * **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
- * **Capital Projects Funds** - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

- * **Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

- * **Custodial Funds** - The District accounts for resources held for others in a custodial capacity in Custodial Funds. These funds are used to account for assets held by the District as an agent for student and other organizations. The District's Custodial Funds is the student activity fund and scholarships.

E. FUND BALANCE POLICY

The District reports fund balance for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The **nonspendable** classification represents assets that will be consumed or “must be maintained intact” and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the **restricted** classification. The nature of these two classifications precludes a need for a policy from the Board. However, the Board has adopted fund balance policies for the three unrestricted classifications – committed, assigned, and unassigned.

From time to time, the Board may commit fund balances by a majority vote in a scheduled meeting. The Board’s commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions, and other purposes determined by the Board.

The Board may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged to committed, assigned, then unassigned.

By a majority vote in a scheduled meeting the Board may commit fund balances and it may modify or rescind commitments. The Board may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds.

Nonspendable	
Inventories in the general fund	\$ 26,560
Inventories in the food service fund	9,647
Total Nonspendable	<u>36,207</u>
Restricted	
Capital acquisition	1,696,960
Federal and State fund grant restrictions	547,898
Retirement of long-term debt	789,614
Total Restricted	<u>3,034,472</u>
Committed	
Construction	-
Campus activity funds	81,791
Total Committed	<u>81,791</u>
Unassigned	<u>11,517,523</u>
Total Fund Balances	<u><u>\$ 14,669,993</u></u>

F. OTHER ACCOUNTING POLICIES

1. Although food service commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include fuel inventories for the transportation department and are recorded at cost.
2. The District records purchases of supplies as expenditures.
3. The District records its investments in certificates of deposit and state sponsored money market accounts at fair value.
4. Unearned revenue accounted for on the balance sheet of the general fund and special revenue funds relates to excess funds received from the Texas Education Agency over earned amounts.
5. The District provides risk management obligations by carrying commercial insurance policies. Property and general liability insurance are obtained from a licensed insurer. Risk of loss is not retained by the District.
6. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), differences between projected and actual investment earnings (OPEB), change in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB), and contributions paid to TRS subsequent to the measurement date (pension & OPEB).
7. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide Statement of Net Position. In the government wide financial statements, the District reports a deferred inflow of resources for differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), net difference between projected and actual investment earnings (pension), and changes in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB).
8. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
9. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a Statewide data base for policy development and funding plans.

10. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The District implemented GASB 87 for reporting leases during the reporting period. A right-to-use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a "long-term" lease provided in GASB 87 and must meet the capitalization level set by the Board. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing resources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

11. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government.
12. Capital assets, which include land, buildings, furniture and equipment, and right-to-use lease assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The right-to-use lease asset capitalization level is determined by the Board. The term of the lease must be the noncancelable period during which the District has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made. Note with existing contracts that were evaluated as leases for this year of implementation, the recording of the lease asset and liability would not be reported in governmental fund statements but would be reported in the government-wide statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment, and lease assets of the District are depreciated using the straight-line method over the following estimated useful lives or, for the lease asset, for the term of the lease if the estimated useful life is longer than the term of the lease, if there is an option to purchase, which is expected to be exercised:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-30
Vehicles	5-10
Office equipment	3-10
Computer equipment	5
Library books and media	5

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board adopts an “appropriated budget” for the General Fund, Food Service Fund, and the Debt Service Fund, which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other reports is in Exhibits J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

	August 31, 2022	
	<u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Funds	\$	557,545
Nonappropriated Budget Funds		99,212
All Special Revenue Funds	<u>\$</u>	<u>656,757</u>

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As noted in Exhibit G-1, the General Fund over-expended Function 71 by \$46,656.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risks for deposits.

At fiscal year-end, the District had funds on deposit of \$10,767,562 in excess of FDIC coverage, secured by pledged securities of the depository bank. The District was adequately collateralized throughout the year.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act**, Government Code Chapter 2256, (the Act) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2022, the District had the following cash and cash equivalents:

Investment Type	Credit Rating	Amount	Maturity		
			Less than 1 Year	1-5 Years	10+ Years
Certificates of Deposit	N/A	\$ 128,433	\$ 128,433	\$ -	\$ -
Money Market Accounts	AAA	1,254,362	N/A		
External Investment Pools	AAAm	1,546,134	N/A		
Total		<u>\$ 2,928,929</u>	<u>\$ 128,433</u>	<u>\$ -</u>	<u>\$ -</u>

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk - In accordance with the District's investment policy, investments in investment pools must rate at least AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service, and investments in obligations of the U.S. Government or its agencies must be rated at least A or equivalent. As noted in the above table, the District's investments met minimum rating requirements.

Custodial Credit Risk for Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investment is in secured bank certificates of deposit and State sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Fair Value Measurement

The District categorizes its fair value measurements with the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments	Amount	Fair Value Measurement Using Input:		
		Level 1	Level 2	Level 3
Certificates of Deposit	\$ 128,433	\$ N/A	\$ -	\$ -
Money Market Accounts	1,254,362	1,254,362	-	-
External Investment Pools	1,546,134	-	1,546,134	-
Total	<u>\$ 2,928,929</u>	<u>\$ 1,254,362</u>	<u>\$ 1,546,134</u>	<u>\$ -</u>

The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investment.

The District's investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of stable net asset value of \$1. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

Lone Star Investment Pool (the Pool): The Pool's liquidity fund operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District's position in the Pool is the same as the value of the Pool's shares and does not include any unrealized gains and losses.

The Pool is governed by an eleven-member Board of Trustees made up of active participants in the Pool. The Board of Trustees has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board of Trustees is also responsible for monitoring performance of the Pool. Financial information for the Pool can be obtained by writing to Post Office Box 400, Austin, Texas 78767-0400 or by calling 1-800-758-3927.

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are collected based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General Fund are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND BALANCES AND TRANSFERS

There were no interfund balances at August 31, 2022.

Interfund transfers at August 31, 2022 consisted of the following amounts:

Transfers to General Fund From:

Intrafund	\$ 397,353
Total Transfers to General Fund from Other Funds	<u>\$ 397,353</u>

Transfers to Nonmajor Governmental Funds From:

General Fund	\$ -
Total Transfers to Nonmajor Governmental Funds From Other Funds	<u>\$ -</u>

The only transfers were made internally within the General Fund.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2022, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 902,794	\$ 1,239,177	\$ -	\$ 43,484	\$ 2,185,455
Debt Service Fund	173,381	-	-	-	173,381
Capital Projects Fund	-	-	-	-	-
Nonmajor Governmental Funds	-	259,932	-	23,994	283,926
Total Governmental Activities	<u>\$ 1,076,175</u>	<u>\$ 1,499,109</u>	<u>\$ -</u>	<u>\$ 67,478</u>	<u>\$ 2,642,762</u>
Amount not scheduled for collection during subsequent year	<u>\$ 161,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,426</u>

Payables at August 31, 2022, were as follows:

	Accounts Payables	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:					
General Fund	\$ 125,074	\$ 765,626	\$ -	\$ 2,542	\$ 893,242
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	66,269	-	-	-	66,269
Nonmajor Governmental Funds	102,443	104,184	-	-	206,627
Total Governmental Activities	<u>\$ 293,786</u>	<u>\$ 869,810</u>	<u>\$ -</u>	<u>\$ 2,542</u>	<u>\$ 1,166,138</u>
Amount not scheduled for payment during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended August 31, 2022 was as follows:

	Primary Government			
	Beginning Balance	Additions/ Reclassifications	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Land	\$ 1,181,420	\$ -	\$ -	\$ 1,181,420
Buildings and improvements	62,099,321	127,801	-	62,227,122
Equipment	2,948,045	162,252	-	3,110,297
Library books and media	120,525	-	-	120,525
Right-to-use lease assets - furniture and equipment	-	112,986	-	112,986
Construction in progress	-	66,269	-	66,269
Total at historical cost	66,349,311	469,308	-	66,818,619
Less accumulated depreciation				
Buildings and improvements	(12,066,170)	(1,832,712)	-	(13,898,882)
Equipment	(2,299,662)	(144,168)	-	(2,443,830)
Library books and media	(116,833)	-	-	(116,833)
Right-to-use lease assets - furniture and equipment	-	(48,423)	-	(48,423)
Total accumulated depreciation	(14,482,665)	(2,025,303)	-	(16,507,968)
Governmental activities				
Capital assets, net	<u>\$ 51,866,646</u>	<u>\$ (1,555,995)</u>	<u>\$ -</u>	<u>\$ 50,310,651</u>

Depreciation expense was charged to governmental activity as follows:

Instruction	\$ 1,040,855
Instructional resources and media services	17,347
School leadership	122,856
Guidance, counseling and evaluation services	46,002
Health services	13,815
Student transportation	349,244
Food services	97,977
Extracurricular activities	18,359
General administration	86,186
Plant maintenance and operations	210,338
Data processing services	22,324
Total Depreciation Expense	<u>\$ 2,025,303</u>

G. BONDS PAYABLE

Bond indebtedness of the District is reflected in the Statement of Net Position, and current requirements for principles and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonds payable for the year ended August 31, 2022 is as follows:

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 9/1/2021	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2022	Amounts Due Within One Year
Series Bonds									
Unlimited Tax									
School Building		2.00% -							
Bonds, Series 2016	2041	5.00%	\$ 22,305,000	\$ 121,100	\$ 3,335,000	\$ -	\$ 615,000	\$ 2,720,000	\$ 640,000
Unlimited Tax									
School Building		1.66% -							
Bonds, Series 2017	2047	5.00%	19,490,000	735,750	18,295,000	-	395,000	17,900,000	415,000
Unlimited Tax									
School Refunding		1.73% -							
Bonds, Series 2020	2047	5.00%	16,154,988	637,773	15,820,467	-	85,774	15,734,693	28,908
Total Series Bonds				\$ 1,494,623	\$ 37,450,467	\$ -	\$ 1,095,774	\$ 36,354,693	\$ 1,083,908
Capital Appreciation Bonds									
C.A.B Accreted Interest									
Series 2020				-	160,946	334,826	244,226	251,546	-
Total Capital Appreciation Bonds				\$ -	\$ 160,946	\$ 334,826	\$ 244,226	\$ 251,546	\$ -
Total All Bonds				\$ 1,494,623	\$ 37,611,413	\$ 334,826	\$ 1,340,000	\$ 36,606,239	\$ 1,083,908

Debt Service requirements for bonds payable are as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2023	\$ 1,083,908	\$ 1,508,114	\$ 2,592,022
2024	1,109,742	1,479,930	2,589,672
2025	1,158,284	1,436,814	2,595,098
2026	1,201,106	1,387,191	2,588,297
2027	506,197	2,078,074	2,584,271
2028-2032	6,865,456	6,031,297	12,896,753
2033-2037	9,630,000	3,253,317	12,883,317
2038-2042	9,670,000	1,737,025	11,407,025
2043-2047	5,130,000	529,400	5,659,400
Total	\$ 36,354,693	\$ 19,441,162	\$ 55,795,855

On October 20, 2020, the District issued general obligation refunding bonds in the principal amount of \$16,154,988, consisting of \$464,998 Capital Appreciation Bonds and \$15,690,000 Current Interest Bonds, to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$27,789,375 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$3,997,514. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$1,768,810 and resulted in an economic gain of \$1,404,601. The call date on the refunded bonds is February 15, 2026.

H. LONG-TERM DEBT – NOTES PAYABLE

On February 24, 2011, the District issued Maintenance Tax Notes in the amount of \$4,926,000 for the purpose of providing funds to pay maintenance improvements as authorized by Texas Education Code, Section 45.108. The Board elected to designate the note as a “Qualified School Construction Bond” under sections 54A and 54F of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such note if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on February 15, 2012 and end on February 15, 2026. The interest rate on the Note is 6.75% with a federally subsidized amount of 5.45% for a net interest cost of 1.30% to the District.

On April 8, 2014, the District issued Maintenance Tax Notes in the amount of \$2,300,000 for the purpose of providing funds to pay for repairs and renovations as authorized by Texas Education Code, Section 45.108. The Board elected to designate the note as a “Qualified Zone Academy Bond” under section 54E of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such note if such interest were determined at the applicable credit rate determined under Section 54A(d)(4)(c) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on December 15, 2014 and end on December 15, 2027. The interest rate on the note is 4.95% with a federally subsidized amount of 4.24% for a net interest cost of 0.71% to the District.

Notes payable of the District are reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the General Fund.

A summary of changes in debt payable for the year ended August 31, 2022 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 9/1/2021	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2022	Amounts Due Within One Year
Maintenance Tax Notes Series 2011	1.30%	\$ 4,926,000	\$ 31,086	\$ 1,930,000	\$ -	\$ 376,000	\$ 1,554,000	\$ 381,000
Maintenance Tax Notes Series 2013	0.710%	2,300,000	7,810	1,100,000	-	154,000	946,000	155,000
Totals		<u>\$ 7,226,000</u>	<u>\$ 38,896</u>	<u>\$ 3,030,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>	<u>\$ 2,500,000</u>	<u>\$ 536,000</u>

Debt service requirements for notes payable are as follows:

Year Ended August 31,	Total Requirements		
	Principal	Interest	Total
2023	\$ 536,000	\$ 26,918	\$ 562,918
2024	542,000	20,865	562,865
2025	548,000	14,740	562,740
2026	554,000	8,542	562,542
2027	159,000	2,272	161,272
2028-2029	161,000	1,143	162,143
Total	<u>\$ 2,500,000</u>	<u>\$ 74,480</u>	<u>\$ 2,574,480</u>

I. RIGHT-TO-USE LEASE LIABILITIES PAYABLE

The District leases photocopy machines with an agreement having a 5-year term. Payments of \$4,344 are made monthly which consist of principal and annual interest of 6.66%. No assets were pledged as collateral for this lease.

A summary of right-to-use lease arrangements for the year ended August 31, 2022, is as follows:

Description	Discount Rate	Original Lease Liability	Current Year Interest	Principal Balance at 9/1/2021	New Lease Agreement	Principal Paid This Year	Principal Balance at 8/31/2022	Principal Due Within One Year
Ricoh Lease, 2019	6.66%	\$ 112,986	\$ 5,471	\$ -	\$ 112,986	\$ 46,656	\$ 66,330	\$ 49,193
Totals			\$ 5,471	\$ -	\$ 112,986	\$ 46,656	\$ 66,330	\$ 49,193

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

Due fiscal year ended Aug 31	Principal	Interest	Total
2023	\$ 49,193	\$ 2,934	\$ 52,127
2024	17,137	238	17,375
Total	\$ 66,330	\$ 3,172	\$ 69,502

J. CHANGES IN LONG-TERM LIABILITIES

Following is a summary of changes in long-term liabilities for the year ended August 31, 2022:

	Amounts Outstanding 9/1/2021	Additions	Deletions	Amounts Outstanding 8/31/2022	Due Within One Year
Bonds Payable	\$ 37,611,413	\$ 334,826	\$ 1,340,000	\$ 36,606,239	\$ 1,083,908
Net Issuance Premiums/Discounts	7,578,619	-	781,156	6,797,463	-
Total Bonds Payable	\$ 45,190,032	\$ 334,826	\$ 2,121,156	\$ 43,403,702	\$ 1,083,908
Notes Payable	3,030,000	-	530,000	2,500,000	536,000
Right-to-Use Lease Liabilities	-	112,986	46,656	66,330	49,193
	\$ 48,220,032	\$ 447,812	\$ 2,697,812	\$ 45,970,032	\$ 1,669,101

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2022.

K. COMPENSATED ABSENCES

The State of Texas has created a minimum personal leave program consisting of five days per year leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas public schools.

Each district's local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. The District provides an additional five days per year leave above the state granted five days per year. Personal leave is not vested, therefore, upon resignation, termination or nonrenewal of contract, accumulated personal leave is not paid.

L. HEALTH CARE COVERAGE

During the period ended August 31, 2022, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$338 per pay period per employee and dependents based on employee coverage selection to the plan. All premiums were paid to a self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable annually and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross/Blue Shield TRS ActiveCare are available and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

M. DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in a cost-sharing, multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries, times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad-hoc post-employment benefit changes, including ad-hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions. Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Contributions Rates		
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.50%
District's 2022 FY Employer Contributions		\$ 428,582
District's 2022 FY Member Contributions		\$ 930,521
Measurement Year NECE On-Behalf Contributions		\$ 638,460

Contributors to the Plan include members, employers, and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers, including public schools, are required to pay the employer contribution rate in the following instances:

- * On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- * During a new member's first 90 days of employment.
- * When any part, or all, of an employee's salary is paid by federal funding sources or a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- * All public schools, charter schools, and regional educational service centers must contribute 1.65 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- * When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
	1.95%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Municipal Bond Rate as of August 2020	
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad-Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability assumptions are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate. A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the legislature during the 2020 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2021 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class*	Target Allocation** %	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources & Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Expected Return	100%		6.90%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY2020 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis. The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	\$4,329,739	\$1,981,430	\$76,239

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, the District reported a liability of \$1,981,430 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 1,981,430
State's proportionate share that is associated with the District	3,810,058
Total	<u>\$ 5,791,488</u>

The Net Pension Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net Pension Liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.0077805479% which was an increase of 0.0002296284% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$15,232 and revenue of \$15,232 for support provided by the State in the government-wide Statement of Activities.

At August 31, 2022, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 3,316	\$ 139,494
Changes in actuarial assumptions	700,397	305,313
Net difference between projected and actual investment earnings	-	1,661,404
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	98,133	315,439
Contributions paid to TRS subsequent to the measurement date	428,582	-
Total	\$ 1,230,428	\$ 2,421,650

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized in pension expense as follows:

Measurement year ended August 31:	Pension Expense Amount
2022	\$ (313,709)
2023	(314,610)
2024	(446,776)
2025	(534,307)
2026	(11,837)
Thereafter	1,435

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with the Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board of Trustees may adopt rules, plans, and procedures reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2021 are as follows:

Net OPEB Liability	Total
Total OPEB Liability	\$ 41,113,711,083
Less: Plan fiduciary net position	(2,539,242,470)
Net OPEB liability	\$ 38,574,468,613
Net position as a percentage of total OPEB liability	6.18%

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible, non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

*or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

	<u>Contributions Rates</u>	
	<u>2021</u>	<u>2022</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's 2022 FY Employer Contributions		\$ 99,824
District's 2022 FY Member Contributions		\$ 75,612
Measurement Year NECE On-Behalf Contributions		\$ 125,004

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS-Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

Actuarial Assumptions.

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale MP-2018.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05% including inflation
Ad-Hoc Post-Employment Benefit Changes	None

Discount Rate. A single discount rate of 1.95 percent was used to measure the Total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate and was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the fixed income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability:

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability:

	1% Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$5,557,045	\$4,606,951	\$3,859,197

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the OPEB liability if a healthcare trend rate that is 1 percentage point less than and 1 percentage point greater than the health trend rates assumed:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$3,731,478	\$4,606,951	\$5,781,619

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2022, the District reported a liability of \$4,606,951 for its proportionate share of the TRS Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the Net OPEB Liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,606,951
State's proportionate share that is associated with the District	6,172,288
Total	<u>\$ 10,779,239</u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021 the employer's proportion of the collective Net OPEB Liability was 0.0119430059% compared to 0.011656840% as of August 31, 2020.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- * The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.

For the year ended August 31, 2022, the District recognized OPEB expense of \$227,805 and revenue of \$227,805 for support provided by the State.

At August 31, 2022, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 198,351	\$ 2,230,087
Changes in actuarial assumptions	510,274	974,285
Net difference between projected and actual investment earnings	5,001	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	466,594	303,642
Contributions paid to TRS subsequent to the measurement date	99,824	-
Total	\$ 1,280,044	\$ 3,508,014

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended August 31:	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2023	\$ (472,865)	\$ (1,854,929)
2024	(472,979)	(1,381,950)
2025	(472,951)	(908,999)
2026	(351,683)	(557,316)
2027	(187,506)	(369,810)
Thereafter	(369,810)	-

O. MEDICARE PART D - ON BEHALF PAYMENTS

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of the District for fiscal years 2020, 2021, and 2022 were \$49,098, \$47,622, and \$47,978, respectively.

P. LITIGATION

The District is occasionally involved in litigation in the general course of business. Attorneys for the District indicate there is no pending litigation at August 31, 2022.

Q. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

R. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Services Arrangement (SSA) which provides alternative campuses to member districts. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided by TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in its Special Revenue Fund and Fund 459 "Special Education Unit" and will be accounted for using Model 3 in the SSA section of the Resource Guide. Contributions to the SSA are summarized below:

Member Districts	Special Education Unit
Charlotte Independent School District	\$ 6,051
Devine Independent School District	6,051
Dilley Independent School District	6,051
Jourdanton Independent School District	6,051
Lytle Independent School District	6,052
McMullen County Independent School District	6,051
Natalia Independent School District	6,051
Pearsall Independent School District	6,052
Pleasanton Independent School District	6,052
Poteet Independent School District	6,052
Somerset Independent School District	6,052
Portions Relieved from /(added to) Deferred Revenue	(1,112)
Total	<u>\$ 65,454</u>

S. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Debt Service Fund	Other Fund	Total
State Revenue	\$ -	\$ -	\$ 289	\$ 289
Federal Revenue	-	-	18,782	18,782
Local Revenue	-	-	4,513	4,513
Total Unearned Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,584</u>	<u>\$ 23,584</u>

T. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2022, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements:

Fund	State Entitlements	Federal Grants	Other	Total
General Fund	\$ 1,203,959	\$ 34,933	\$ 285	\$ 1,239,177
Other Funds	31,924	228,008		259,932
Total	<u>\$ 1,235,883</u>	<u>\$ 262,941</u>	<u>\$ 285</u>	<u>\$ 1,499,109</u>

U. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
Property Taxes	\$ 8,811,942	\$ 2,665,133	\$ -	\$ -	\$ 11,477,075
Penalties, Interest and Other					
Tax-related Income	235,450	18,900	-	-	254,350
Investment Income	26,899	1,647	6,310	791	35,647
Rent	60,477	-	-	-	60,477
Foundation, Gifts and Bequests	-	-	-	65,751	65,751
Insurance Recovery	-	-	-	-	-
Food Sales	-	-	-	133,995	133,995
Extracurricular Student Activities	111,935	-	-	182,100	294,035
Enterprising Revenue	-	-	-	-	-
Shared Service	-	-	-	65,454	65,454
Other	111,619	-	-	4,657	116,276
Total	<u>\$ 9,358,322</u>	<u>\$ 2,685,680</u>	<u>\$ 6,310</u>	<u>\$ 452,748</u>	<u>\$ 12,503,060</u>

V. GENERAL FUND FEDERAL SOURCES REVENUE

Program or Source	CFDA Number	Amount
School Health and Related Services (SHARS) Program	N/A	\$ 324,506
CARES ACT from TDEM	97.036	28,594
Medicaid Administrative Claiming Program (MAC)	93.778	99,518
Total:		<u>\$ 452,618</u>

W. WORKERS' COMPENSATION POOL

During the year ended August 31, 2022, The District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of stop-loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2021, the Fund carries a discounted reserve of \$44,985,187 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2022, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

X. AUTO, LIABILITY, AND PROPERTY PROGRAMS

During the year ended August 31, 2022, the District participated in the following TASB Risk Management Fund programs:

Auto Liability

Auto Physical Damage

Privacy & Information Security

Property

School Liability

The Fund was created and is operating under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger-than-anticipated claims for its Auto, Liability, and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Y. UNEMPLOYMENT COMPENSATION POOL

During the year ended August 31, 2022, the District provided unemployment compensation coverage to its employees through participation in the Fund. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for a specific or aggregate stop-loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Z. RELATED-PARTY TRANSACTIONS

During the year the District did business with one of the District's Board Members. The District received printing services and office supplies from R B Printing in the amount of \$2,101.

REQUIRED SUPPLEMENTARY INFORMATION

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes			Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
			Original	Final		
REVENUES:						
5700	Total Local and Intermediate Sources		\$ 9,049,526	\$ 9,333,947	\$ 9,358,322	\$ 24,375
5800	State Program Revenues		9,488,750	8,838,387	9,168,053	329,666
5900	Federal Program Revenues		250,000	418,012	452,618	34,606
5020	Total Revenues		18,788,276	18,590,346	18,978,993	388,647
EXPENDITURES:						
Current:						
0011	Instruction		9,929,799	9,976,070	9,840,658	135,412
0012	Instructional Resources and Media Services		116,467	116,467	82,164	34,303
0013	Curriculum and Instructional Staff Development		70,386	69,533	26,093	43,440
0021	Instructional Leadership		351,827	351,857	334,390	17,467
0023	School Leadership		1,111,932	1,111,932	1,099,651	12,281
0031	Guidance, Counseling, and Evaluation Services		465,586	465,586	431,695	33,891
0033	Health Services		99,196	99,196	45,407	53,789
0034	Student (Pupil) Transportation		774,481	779,587	493,500	286,087
0035	Food Services		24,470	24,470	900	23,570
0036	Extracurricular Activities		1,018,797	1,018,797	1,004,169	14,628
0041	General Administration		817,392	877,392	850,654	26,738
0051	Facilities Maintenance and Operations		2,196,933	2,141,609	1,987,501	154,108
0052	Security and Monitoring Services		76,584	126,584	64,104	62,480
0053	Data Processing Services		317,501	332,501	298,079	34,422
0061	Community Services		2,561	5,561	3,781	1,780
Debt Service:						
0071	Principal on Long-Term Liabilities		530,000	530,000	576,656	(46,656)
0072	Interest on Long-Term Liabilities		38,896	48,896	44,367	4,529
Capital Outlay:						
0081	Facilities Acquisition and Construction		26,000	26,000	6,464	19,536
Intergovernmental:						
0093	Payments to Fiscal Agent/Member Districts of SSA		163,700	163,700	151,200	12,500
0095	Payments to Juvenile Justice Alternative Ed. Prg.		6,000	6,100	6,051	49
0099	Other Intergovernmental Charges		263,508	263,508	249,679	13,829
6030	Total Expenditures		18,402,016	18,535,346	17,597,163	938,183
1100	Excess of Revenues Over Expenditures		386,260	55,000	1,381,830	1,326,830
OTHER FINANCING SOURCES (USES):						
7913	Right-to-Use Leases		-	-	112,986	112,986
7915	Transfers In		-	397,354	397,353	(1)
8911	Transfers Out (Use)		(386,260)	(397,354)	(397,353)	1
7080	Total Other Financing Sources (Uses)		(386,260)	-	112,986	112,986
1200	Net Change in Fund Balances		-	55,000	1,494,816	1,439,816
0100	Fund Balance - September 1 (Beginning)		10,031,846	10,031,846	10,031,846	-
3000	Fund Balance - August 31 (Ending)		\$ 10,031,846	\$ 10,086,846	\$ 11,526,662	\$ 1,439,816

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.007780548%	0.00755092%	0.008305857%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 1,981,430	\$ 4,044,118	\$ 4,317,644
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	3,810,058	7,760,726	7,160,830
Total	<u>\$ 5,791,488</u>	<u>\$ 11,804,844</u>	<u>\$ 11,478,474</u>
District's Covered Payroll	\$ 10,829,778	\$ 10,426,090	\$ 10,138,340
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	18.30%	38.79%	42.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2019 Plan Year 2018		FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
0.008313358%		0.008888465%		0.0088003%		0.0094827%		0.0060084%	
\$	4,575,874	\$	2,842,052	\$	3,325,493	\$	3,352,008		1,604,926
8,024,455		5,002,291		6,176,031		5,928,650		5,233,836	
\$	12,600,329	\$	7,844,343	\$	9,501,524	\$	9,280,658	\$	6,838,762
\$	9,727,368	\$	9,994,924	\$	9,829,458	\$	9,651,681		9,632,422
47.04%		28.43%		33.83%		34.73%		16.67%	
73.74%		82.17%		78.00%		78.43%		83.25%	

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 428,582	\$ 329,656	\$ 311,534
Contribution in Relation to the Contractually Required Contribution	(428,582)	(329,656)	(311,534)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 11,632,547	\$ 10,829,778	\$ 10,426,090
Contributions as a Percentage of Covered Payroll	3.68%	3.04%	2.99%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

2019	2018	2017	2016	2015
\$ 284,897	\$ 285,286	\$ 291,312	\$ 279,607	\$ 268,708
(284,897)	(285,286)	(291,312)	(279,607)	(268,708)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,138,340	\$ 9,727,368	\$ 9,994,924	\$ 9,829,458	\$ 9,651,681
2.81%	2.93%	2.91%	2.84%	2.78%

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.011943006%	0.011165684%	0.011421636%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 4,606,951	\$ 4,244,581	\$ 5,401,435
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	6,172,288	5,703,699	7,177,294
Total	<u>\$ 10,779,239</u>	<u>\$ 9,948,280</u>	<u>\$ 12,578,729</u>
District's Covered Payroll	\$ 10,829,778	\$ 10,426,090	\$ 10,138,340
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	42.54%	40.71%	53.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.011850136%		0.011731462%	
\$	5,916,881	\$	5,101,573
8,268,069		7,813,831	
\$	14,184,950	\$	12,915,404
\$	9,727,368	\$	9,994,924
60.83%		51.04%	
1.57%		0.91%	

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2022

	2022	2021	2020
Contractually Required Contribution	\$ 99,824	\$ 93,327	\$ 84,401
Contribution in Relation to the Contractually Required Contribution	(99,824)	(93,327)	(84,401)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 11,632,547	\$ 10,829,778	\$ 10,426,090
Contributions as a Percentage of Covered Payroll	0.86%	0.86%	0.81%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2019		2018	
\$	72,804	\$	81,260
	(72,804)		(81,260)
\$	-	\$	-
\$	10,138,340	\$	9,727,368
	0.72%		0.84%

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2022

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

There were no changes of benefit terms since the prior measurement date.

Changes of Assumptions.

There were no changes in assumptions since the prior measurement date.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefit.

There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions.

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- * The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.

COMBINING AND OTHER STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
ASSETS				
1110	Cash and Cash Equivalents	\$ (24,659)	\$ 584,863	\$ (1,051)
1240	Due from Other Governments	43,249	79,986	1,051
1290	Other Receivables	-	23,994	-
1300	Inventories	-	9,647	-
1000	Total Assets	<u>\$ 18,590</u>	<u>\$ 698,490</u>	<u>\$ -</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ 81,150	\$ -
2160	Accrued Wages Payable	16,847	36,817	-
2200	Accrued Expenditures	1,743	4,196	-
2300	Unearned Revenue	-	18,782	-
2000	Total Liabilities	<u>18,590</u>	<u>140,945</u>	<u>-</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	-	9,647	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	547,898	-
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
3600	Unassigned Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>557,545</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 18,590</u>	<u>\$ 698,490</u>	<u>\$ -</u>

266 ESSER -School Emergency Relief-CARES	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	289 Title IV Part A Subpart I	350 SSA - III, A English Lang. Acquisition	397 Advanced Placement Incentives	410 State Instructional Materials	459 Alternative Campus
\$ (3,512)	\$ -	\$ (53,791)	\$ (2,505)	\$ -	\$ -	\$ (25,095)	\$ 11,531
9,153	-	92,064	2,505	-	-	31,924	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,641</u>	<u>\$ -</u>	<u>\$ 38,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,829</u>	<u>\$ 11,531</u>
\$ 5,641	\$ -	\$ 710	\$ -	\$ -	\$ -	\$ 6,540	\$ -
-	-	36,819	-	-	-	-	6,867
-	-	744	-	-	-	-	151
-	-	-	-	-	-	289	4,513
<u>5,641</u>	<u>-</u>	<u>38,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,829</u>	<u>11,531</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,641</u>	<u>\$ -</u>	<u>\$ 38,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,829</u>	<u>\$ 11,531</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes		461 Campus Activity Funds	483 Virginia Steinle Fund	484 Billy & Alberta Mueller Fund	485 Paul Gansky Fund
ASSETS					
1110	Cash and Cash Equivalents	\$ 87,864	\$ 15,496	\$ 1,155	\$ 770
1240	Due from Other Governments	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 87,864</u>	<u>\$ 15,496</u>	<u>\$ 1,155</u>	<u>\$ 770</u>
LIABILITIES					
2110	Accounts Payable	\$ 6,073	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>6,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	81,791	-	-	-
3600	Unassigned Fund Balance	-	15,496	1,155	770
3000	Total Fund Balances	<u>81,791</u>	<u>15,496</u>	<u>1,155</u>	<u>770</u>
4000	Total Liabilities and Fund Balances	<u>\$ 87,864</u>	<u>\$ 15,496</u>	<u>\$ 1,155</u>	<u>\$ 770</u>

486	Total
JEF	Nonmajor
Fund	Governmental
	Funds
\$ 2,329	\$ 593,395
-	259,932
-	23,994
-	9,647
<u>\$ 2,329</u>	<u>\$ 886,968</u>
\$ 2,329	\$ 102,443
-	97,350
-	6,834
-	23,584
<u>2,329</u>	<u>230,211</u>
-	9,647
-	547,898
-	81,791
-	17,421
<u>-</u>	<u>656,757</u>
<u>\$ 2,329</u>	<u>\$ 886,968</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ 137,985	\$ -
5800 State Program Revenues	-	4,658	-
5900 Federal Program Revenues	282,662	1,324,752	41,555
5020 Total Revenues	282,662	1,467,395	41,555
EXPENDITURES:			
Current:			
0011 Instruction	211,531	-	41,555
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-
0021 Instructional Leadership	-	-	-
0023 School Leadership	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-
0033 Health Services	71,131	-	-
0034 Student (Pupil) Transportation	-	-	-
0035 Food Services	-	1,083,010	-
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	-	-
0051 Facilities Maintenance and Operations	-	5,622	-
0053 Data Processing Services	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
6030 Total Expenditures	282,662	1,088,632	41,555
1200 Net Change in Fund Balance	-	378,763	-
0100 Fund Balance - September 1 (Beginning)	-	178,782	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 557,545	\$ -

266 ESSER -School Emergency Relief-CARES	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	289 Title IV Part A Subpart I	350 SSA - III, A English Lang. Acquisition	397 Advanced Placement Incentives	410 State Instructional Materials	459 Alternative Campus
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,454
-	-	-	-	-	18	99,567	-
20,500	463,555	715,615	78,993	2,000	-	-	-
20,500	463,555	715,615	78,993	2,000	18	99,567	65,454
5,641	305,508	579,457	18,785	2,000	18	99,567	65,454
-	4,071	-	-	-	-	-	-
-	-	49,573	-	-	-	-	-
-	6,107	-	-	-	-	-	-
-	28,474	4,288	-	-	-	-	-
-	8,143	14,400	-	-	-	-	-
-	6,107	135	51,942	-	-	-	-
-	10,312	14,879	-	-	-	-	-
-	22,797	-	-	-	-	-	-
-	4,071	-	-	-	-	-	-
-	14,232	-	-	-	-	-	-
14,859	49,665	36,165	8,266	-	-	-	-
-	4,068	4,218	-	-	-	-	-
-	-	12,500	-	-	-	-	-
20,500	463,555	715,615	78,993	2,000	18	99,567	65,454
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JOURDANTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	461 Campus Activity Funds	483 Virginia Steinle Fund	484 Billy & Alberta Mueller Fund	485 Paul Gansky Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 186,154	\$ 24	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	186,154	24	-	-
EXPENDITURES:				
Current:				
0011 Instruction	-	1,000	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	190,932	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0053 Data Processing Services	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	190,932	1,000	-	-
1200 Net Change in Fund Balance	(4,778)	(976)	-	-
0100 Fund Balance - September 1 (Beginning)	86,569	16,472	1,155	770
3000 Fund Balance - August 31 (Ending)	\$ 81,791	\$ 15,496	\$ 1,155	\$ 770

486		Total	
JEF		Nonmajor	
Fund		Governmental	
		Funds	
\$	63,131	\$	452,748
	-		104,243
	-		2,929,632
	63,131		3,486,623
	61,411		1,391,927
	-		4,071
	-		49,573
	-		6,107
	-		32,762
	1,989		24,532
	-		129,315
	-		25,191
	-		1,105,807
	-		195,003
	-		14,232
	-		114,577
	-		8,286
	-		12,500
	63,400		3,113,883
	(269)		372,740
	269		284,017
\$	-	\$	656,757

T.E.A. REQUIRED SCHEDULES

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2022

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	Various	Various	\$ Various
2014	1.046000	0.000000	748,026,482
2015	1.170000	0.000000	804,674,701
2016	1.170000	0.000000	864,535,812
2017	1.170000	0.206200	748,548,612
2018	1.170000	0.360300	807,924,721
2019	1.170000	0.330800	868,223,798
2020	1.068400	0.254300	1,128,223,060
2021	1.054700	0.317600	925,918,712
2022 (School year under audit)	1.051700	0.323900	853,020,838
1000 TOTALS			

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
\$ 187,977	\$ -	\$ 10,081	\$ -	\$ (38,898)	\$ 138,998
51,229	-	1,265	-	(223)	49,741
38,907	-	1,446	-	(615)	36,846
55,983	-	3,384	-	(236)	52,363
106,082	-	10,163	1,791	(242)	93,886
91,308	-	11,479	3,535	674	76,968
114,598	-	23,686	6,697	(3,187)	81,028
159,396	-	36,072	8,586	(3,408)	111,330
269,554	-	84,900	25,566	(34,529)	124,559
-	11,734,155	8,647,361	2,663,193	(113,145)	310,456
<u>\$ 1,075,034</u>	<u>\$ 11,734,155</u>	<u>\$ 8,829,837</u>	<u>\$ 2,709,368</u>	<u>\$ (193,809)</u>	<u>\$ 1,076,175</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 233,517	\$ 113,881	\$ 137,985	\$ 24,104
5800 State Program Revenues	3,660	4,658	4,658	-
5900 Federal Program Revenues	765,508	1,332,987	1,324,752	(8,235)
5020 Total Revenues	1,002,685	1,451,526	1,467,395	15,869
EXPENDITURES:				
Current:				
0035 Food Services	1,027,985	1,445,326	1,083,010	362,316
0051 Facilities Maintenance and Operations	200	6,200	5,622	578
6030 Total Expenditures	1,028,185	1,451,526	1,088,632	362,894
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,500)	-	378,763	378,763
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	25,500	-	-	-
1200 Net Change in Fund Balances	-	-	378,763	378,763
0100 Fund Balance - September 1 (Beginning)	178,782	178,782	178,782	-
3000 Fund Balance - August 31 (Ending)	\$ 178,782	\$ 178,782	\$ 557,545	\$ 378,763

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,591,398	\$ 2,685,475	\$ 2,685,680	\$ 205
5020 Total Revenues	2,591,398	2,685,475	2,685,680	205
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	1,095,774	1,095,774	1,095,774	-
0072 Interest on Long-Term Liabilities	1,494,624	1,588,201	1,494,623	93,578
0073 Bond Issuance Cost and Fees	1,000	1,500	1,500	-
6030 Total Expenditures	2,591,398	2,685,475	2,591,897	93,578
1200 Net Change in Fund Balances	-	-	93,783	93,783
0100 Fund Balance - September 1 (Beginning)	695,831	695,831	695,831	-
3000 Fund Balance - August 31 (Ending)	\$ 695,831	\$ 695,831	\$ 789,614	\$ 93,783

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED AUGUST 31, 2022

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$1,353,228
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$392,392

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$26,001
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$46,616

FEDERAL SECTION

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jourdanton Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Jourdanton Independent School District's basic financial statements, and have issued our report thereon dated November 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jourdanton Independent School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jourdanton Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jourdanton Independent School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jourdanton Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jourdanton Independent School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jourdanton Independent School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Coleman, Horton and Company, LLP

Uvalde, Texas
November 18, 2022

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jourdanton Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Jourdanton Independent School District's major federal programs for the year ended August 31, 2022. The Jourdanton Independent School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Jourdanton Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Jourdanton Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Jourdanton Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Jourdanton Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Jourdan Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS), *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Jourdan Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- * Exercise professional judgment and maintain professional skepticism throughout the audit.
- * Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Jourdan Independent School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- * Obtain an understanding of the Jourdan Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Jourdan Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Coleman, Horton and Company, LLP

Uvalde, Texas

November 18, 2022

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Control deficiency(ies) identified? Yes X No

Control deficiency(ies) identified that are not considered to be material weakness? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Control deficiency(ies) identified? Yes X No

Control deficiency(ies) identified that are not considered to be material weakness? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.56 of the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA #84.425D	Elementary & Secondary School Emergency Relief Fund I
CFDA# 84.425D	Elementary & Secondary School Emergency Relief Fund II
CFDA# 84.425U	Elementary & Secondary School Emergency Relief Fund III

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022

B. Financial Statement Findings

-----None noted-----

C. Federal Award Findings and Questioned Costs

-----None noted-----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2022

-----Not Applicable-----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2022

-----None Noted-----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through ESC Region XX</u>			
SSA - Title III, A - English Lang. Acquisition	84.365 A	20-671001015950	\$ 2,000
Total Passed Through ESC Region XX			2,000
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	22-610101007902	246,182
ESEA, Title I, Part D - Subpart 2	84.010 A	22-610103007902	36,480
Total Assistance Listing Number 84.010			282,662
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	22-694501007902	40,493
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	69451971	1,062
Total Assistance Listing Number 84.367			41,555
COVID 19 - Elementary & Secondary School Emergency Relief	84.425 D	20-521001007902	20,500
COVID 19 - Elementary Secondary School Emergency Relief II	84.425 D	21-521001007902	463,555
COVID 19 - ESSER III - ARP School Emergency Relief	84.425 U	21-528001007902	715,615
Total Assistance Listing Number 84.425			1,199,670
ESEA, Title IV, Part A, Subpart 1	84.424 A	22-68010007905	18,785
Total Passed Through Texas Education Agency			1,542,672
TOTAL U.S. DEPARTMENT OF EDUCATION			1,544,672
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900159	99,518
Total Passed Through Texas Health and Human Services Commission			99,518
<u>Passed Through Texas Education Agency</u>			
COVID 19 - ELC Reopening Schools	93.323	39352201	60,208
Total Passed Through Texas Education Agency			60,208
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			159,726
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402201	308,421
*National School Lunch Program - Cash Assistance	10.555	71302201	784,349
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	76,492
*Supply Chain Assistance	10.555	22-6TX400N8903	33,756
Total Assistance Listing Number 10.555			894,597
*Child & Adult Care Food Program - Cash Assistance	10.558	NT4XLIYGLGC5	121,120
*P-EBT Admin Cost Reimbursement	10.649	21-6TX109S9009	614
Total Child Nutrition Cluster			1,324,752
Total Passed Through the Texas Department of Agriculture			1,324,752
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,324,752
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,029,150
*Clustered Programs			

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures

**Schedule doesn't include federal funds reported in the General Fund consisting of funds passed through the Texas Department of Emergency Management of \$28,594 and SHARS of \$324,506 for a total of \$353,100

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

- * For all Federal programs, the District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- * The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the Balance Sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- * The District must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and the District) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-federal entity, as applicable (2 CFR 200.344(a)).

Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the performance as specified in the terms and conditions of the Federal award (2 CFR 200.344(b)).

- * CFDA numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.

SCHOOLS FIRST QUESTIONNAIRE

JOURDANTON INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2022

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$251,546